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December 2, 2022

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Joint Application of The United Telephone Company of Pennsylvania LLC d/b/a CenturyLink; CenturyTel Broadband Services, LLC; Connect Holding LLC; and Lumen Technologies, Inc. for All Approvals of a General Rule Transfer of Control and Registration of Securities, Docket Nos. A-2021-3028668, A-2021-3028669, P-2021-3028692, S-2022-3031233, S-2022-3031234

Dear Secretary Chiavetta:

On September 22, 2021, Connect Holding LLC (“Connect Holding”); Lumen Technologies, Inc.; and Lumen’s operating subsidiaries, the United Telephone Company of Pennsylvania LLC,¹ and CenturyTel Broadband Services, LLC (collectively, “Joint Applicants”) filed a Joint Application in the above-captioned matter seeking approval from the Pennsylvania Public Utility Commission (the “Commission”) to complete the proposed transfer of control of United Telephone and CTBS (the “Acquired Companies”) from Lumen to Connect Holding (the “Transaction”). On April 25, 2022, the Commission approved the Transaction and directed Joint Applicants to notify the Commission of the issuance of any securities in connection with Transaction, together with a summary of terms, within 60 days of the issuance of such securities.

Joint Applicants hereby notify the Commission that they have completed the proposed financing arrangements in connection with the consummation of the Transaction. As explained in the Joint Application, in connection with the Transaction, Connect Holding incurred \$4.865 billion in new debt² and obtained a \$600 million revolving credit facility (the “Acquisition Debt”). The new debt consists of a \$3 billion secured term loan and, in lieu of the secured and

¹ As disclosed in our November 14, 2022, letter to the Commission, the United Telephone Company of Pennsylvania LLC filed a name change with the Pennsylvania Department of State on October 3 changing the company’s name to “Brightspeed of Pennsylvania, LLC.”

² This amount represents a rounding up from the \$4.863 billion in debt described in the Joint Application. The changes in the composition of the debt are immaterial and reflect current market conditions for corporate debt generally, but they do not impact the security or guarantees provided by the Acquired Companies. As described in the Joint Application, the Acquired Companies had already pledged substantially all of their material assets to secure the financing for the Transaction.

unsecured senior notes originally described in the Joint Application, a secured bridge term loan of \$1.865 billion.

\$1 billion of the secured term loan (the “Term Loan A”) has a term of 6.5 years and bears interest at a rate equal to, at the option of Connect Holding, either (a) Secured Overnight Financing Rate (“SOFR”) plus (A) a credit spread adjustment of 0.10% and (B) a margin of 4.75% or (b) a base rate (the “Base Rate”) determined by reference to the greatest of (i) the federal funds rate plus 0.50%, (ii) the prime rate of Bank of America, N.A., (iii) the sum of 1.00% and one-month SOFR and (iv) 1.00%, plus 3.75%. \$2 billion of the secured term loan (the “Term Loan B”) has a term of 7 years and bears interest at a rate equal to, at the option of Connect Holding, either (a) SOFR plus (A) a credit spread adjustment of 0.10% and (B) a margin of 5.00% or (b) the Base Rate plus 4.00%. The Term Loan A and the Term Loan B may be voluntarily prepaid at any time following the expiration of the market flex period, without prepayment premium or penalty, except in connection with a repricing event in respect of the term loans under the Term Loan A and the Term Loan B as described below, subject to customary “breakage” costs with respect to SOFR loans. Any refinancing through the issuance of certain debt or any repricing amendment, in either case, that constitutes a “repricing event” applicable to the term loans under the Term Loan A and the Term Loan B, as applicable, resulting in a lower yield occurring at any time during the first six months after the closing date of the secured term loan will be accompanied by a 1.00% prepayment premium or fee, as applicable.

The term of the \$1.865 billion secured bridge term loan is one year, after which any outstanding secured bridge term loans, to the extent not previously refinanced, will automatically convert into extended secured term loans or secured exchange notes, in each case, with a term of 7 years. The secured bridge term loan for the first three-month period after the closing date of the secured bridge term loan accrues interest at a rate per annum equal to SOFR plus (A) a credit spread adjustment of 0.10% and (B) a margin of 5.00% (the “Secured Bridge Initial Margin”). Thereafter, the Secured Bridge Initial Margin increases by 0.50% at the beginning of each subsequent three-month period after the closing date of the secured bridge term loan through the one-year anniversary of the closing date of the secured bridge term loan, subject to a maximum interest rate on the secured bridge term loan of 8.00% per annum. The secured bridge term loan may be voluntarily prepaid at any time following the expiration of the market flex and securities demand periods without premium or penalty.

For the \$600 million revolving credit facility, the term of such facility would be five years and bears interest at a rate equal to, at the option of Connect Holding, either (a) SOFR plus (A) a credit spread adjustment of 0.10% and (B) a margin of 4.50% or (b) the Base Rate plus 3.50%, in each case, subject to step-downs based on the achievement of certain net first lien leverage ratios. The revolving credit facility may be voluntarily prepaid at any time without prepayment premium or penalty.

If you have any questions about this notice or the consummation of the Transaction, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read 'P. Sherwood', with a large circular flourish on the left side.

Pamela H. Sherwood
Senior Regulatory and Compliance Counsel
Pamela.Sherwood@Brightspeed.com
704-314-2249

cc: Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of the foregoing **Letter** upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

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Dated: December 2, 2022

Sarah C. Stoner

Sarah C. Stoner, Esq.